

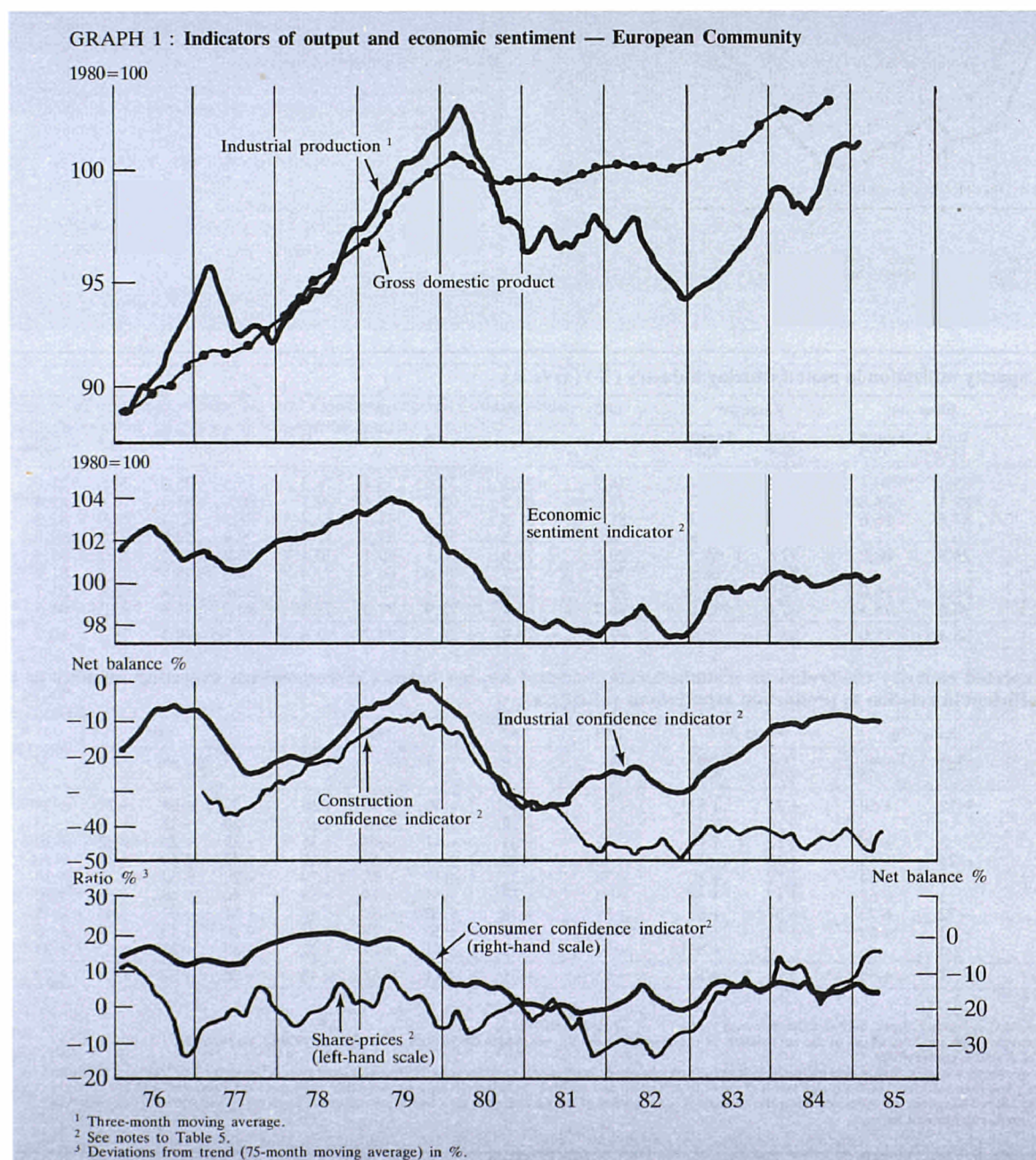
EUROPEAN ECONOMY

COMMISSION OF THE EUROPEAN COMMUNITIES • DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

Supplement B — No 5 — May 1985

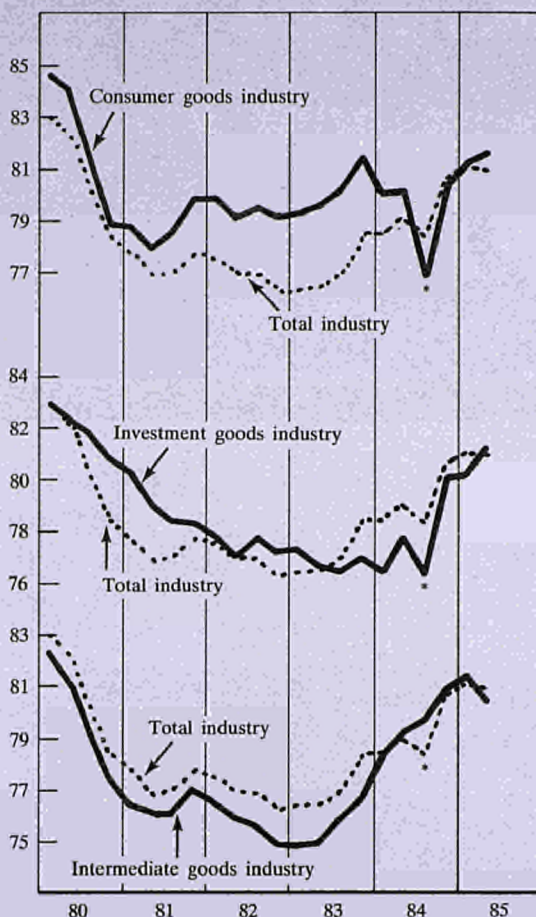
Business and consumer survey results

*This month :
Capacity utilization
in industry*



GRAPH 2 : Capacity utilization by industrial sectors — European Community

Degree in %



* Mainly due to metal workers' strike in Germany.
Sources : European Community business surveys

Capacity utilization unchanged. — Utilization of plant capacity in European industry did not rise any further in the first quarter of 1985 (81 %); this stable figure was in particular influenced by the period of severe cold at the beginning of the year which caused output to lag behind firms' plans. It thus remained three to four percentage points below the cyclically "normal" level, put at around 84 % to 85 %.

The production plans of European industrial firms for the next few months suggest that there will be a slight increase in the degree of capacity utilization in the second quarter. This is all the more likely as a certain backlog from the weak first quarter is cleared. A continued slight upward trend of capacity utilization is also indicated by firms' judgements of their unused capacity : whereas at the beginning of the year 28 % of firms (net balance) described their production capacities as more than sufficient, the proportion in the latest survey has fallen back again slightly (26 %; see Table 1).

Change in base year from 1975 to 1980.

According to the Eurostat figures now available, the member countries' shares in the value of total Community production changed considerably in some cases in the period from 1975 to 1980. For example, Italy's share increased markedly in many branches, which has resulted in a correspondingly higher weighting. By contrast, the weights applied to the Federal Republic of Germany and France have had to be reduced appreciably in a number of branches. It has also proved necessary to adjust the export weights applied to the responses to the questions concerning the current level of export orders and the export prospects.

In the case of some survey questions, particularly that relating to utilization of production capacity, the new country weights have led to major changes in the level of the series. However, their path has hardly been affected. On the basis of the new calculation, the level of capacity utilization in Community industry is now almost one percentage point lower. This is due principally to the lower level of capacity utilization in Italy, which is now given a higher weighting than previously.

In line with this change, the economic sentiment, industrial confidence and consumer confidence indicators are also shown with 1980 as the base year from this edition on.

Long time-series compiled on this new basis may be obtained from the following address :

Commission of the European Communities,
Directorate-General for Economic and Financial Affairs,
Division C 3
rue de la Loi 200,
B-1049 Brussels.

TABLE 1 : Capacity utilization in manufacturing industry (%) (a) (s.a.)

	Range (b)		Range (b)		1983	1984	1983			1984				1985	
	Peak 1973	Trough 1975	Peak 79/80	Trough 82/83			A	J	O	J	A	J	O	J	A
B	85,4	70,4	79,1	74,4	75,7	76,1	75,6	75,4	76,3	75,5	75,2	76,5	77,0	78,0	78,4
D	88,1	74,8	86,0	75,3	77,0	80,3	75,7	77,6	79,1	80,6	81,4	76,6	82,4	82,4	82,6
F	87,8	76,6	85,3	81,1	81,6	81,9	81,4	81,1	82,4	81,5	82,1	81,9	82,2	82,5	82,2
IRL	:	:	68,1	56,8	58,1	61,5	59,6	57,8	57,8	59,9	59,9	63,0	63,0	65,9	61,8
I	78,8	68,0	77,3	69,1	70,1	71,9	70,1	69,1	70,4	70,8	71,2	72,2	73,5	73,8	74,3
L	:	:	83,0	66,5	70,7	77,7	70,0	66,8	72,4	74,5	75,7	78,8	81,7	78,8	82,7
NL	86,0	76,0	83,0	75,8	79,5	82,4	79,2	79,9	80,8	80,6	82,2	83,0	83,7	83,5	84,0
UK (c)	90,6	75,5	87,6	73,0	76,7	82,4	75,9	77,2	78,3	80,2	81,6	83,3	84,5	84,9	84,4
EC (c)	86,4	75,0	83,9	76,4	77,2	79,9	76,5	77,2	77,6	78,3	79,1	78,3	80,7	81,0	80,9

TABLE 2: Expected capacity constraints in manufacturing industry: i.e. net balance of respondents expecting capacity to be more than sufficient in relation to production expectations (a)(d)(s.a.)

	Range (b)		Range (b)		1983	1984	1983			1984				1985	
	Peak 1973	Trough 1975	Peak 79/80	Trough 82/83			A	J	O	J	A	J	O	J	A
B	-12	+58	+35	+53*	+37	+31	+40	+35	+36	+31	+34	+29	+28	+29	+30
DK	:	:	+10	+38	+34	+10	+32	+34	+36	+20	+16	+3	0	+4	+7
D	-3	+56	+12	+49	+42	+24	+47	+40	+35	+29	+24	+22	+20	+20	+19
F	-24	+45	+11	+48	+42	+39	+39	+42	+48	+42	+44	+34	+36	+41	+31
IRL	:	+34	+2	+40	+34	+31	+33	+38	+29	+27	+32	+25	+39	+26	+37
I	+1	+63	+17	+58	+54	+37	+54	+54	+55	+46	+40	+30	+30	+35	+37
L	-72	+73	+37	+62	+59	+48	+60	+57	+58	+51	+51	+46	+45	+44	+1
NL	-3	+60	+14	+51	+30	+12	+30	+28	+23	+20	+13	+10	+6	+5	+5
UK	:	:	:	+63	+51	+33	+51	+47	+42	+35	+32	+32	+33	+28	+24
EC (c)	-7	+54	:	+50	+45	+31	+44	+42	+43	+36	+33	+28	+29	+28	+26

(a) The data are collected in January, April, July and October each year.

* Trough in III/1981.

(b) These are the extreme (high and low) values of the net balances of the different questions, reached in the periods 1973-1975 and 1979-83, respectively.

(c) Weighted total of available country data.

(d) Answers to the questions whether, taking into account the level of order-books or production, capacity is more than sufficient (+), sufficient (=) or less than sufficient (-). Thus, negative net balances (capacity less than sufficient) indicate high levels of capacity utilization and positive net balances (capacity more than sufficient) are associated with low levels of capacity utilization.

(e) The series for the United Kingdom are estimated using the national (Confederation of British Industry) data on the percentage of firms reporting below-capacity working.

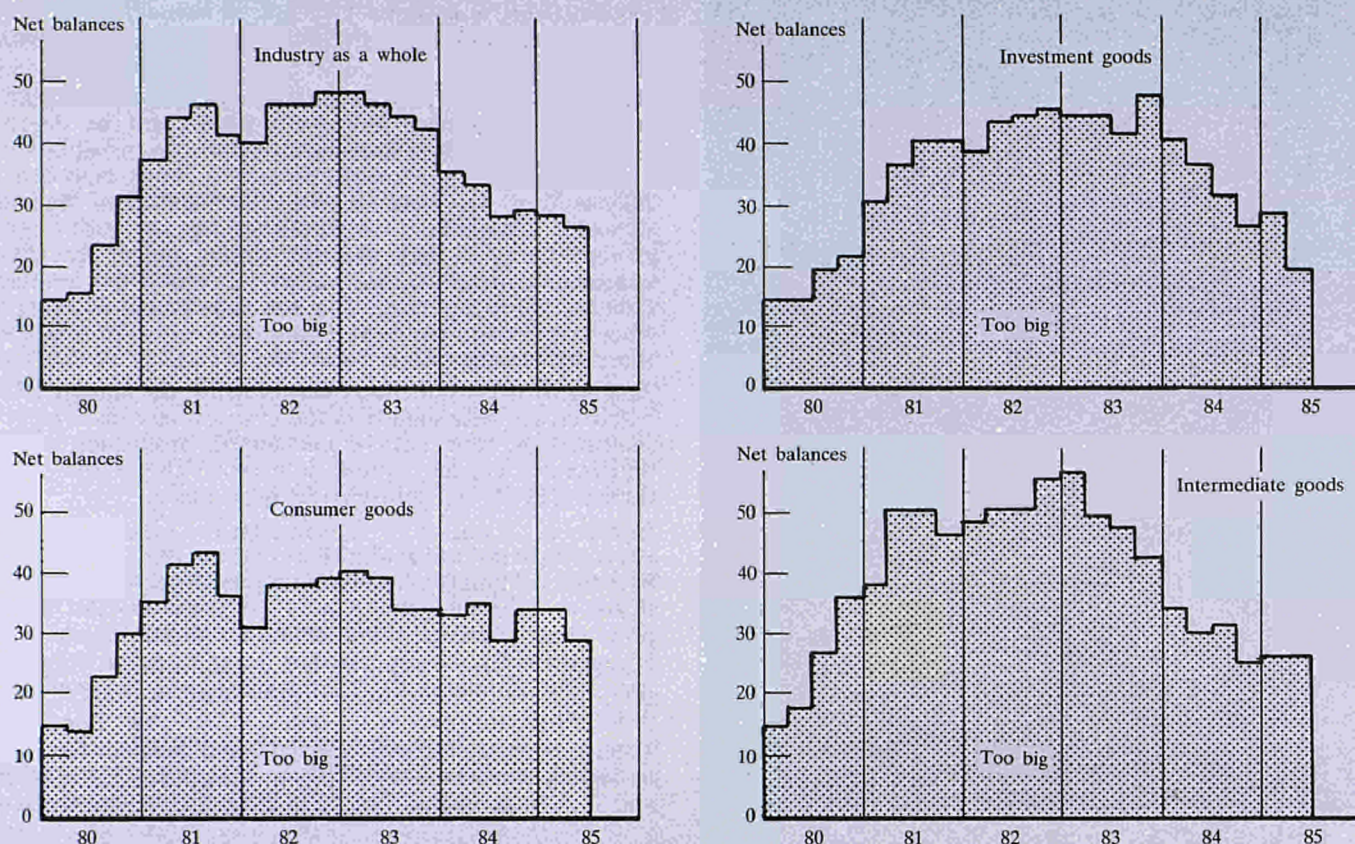
Source: European Community business surveys.

The highest degree of capacity utilization was again recorded in the *Netherlands* and, despite a slight decrease, in the *United Kingdom** (84,0 % and 84,4 % respectively). In the *Netherlands*, the most recent degree of utilization was

actually higher than during the 1979/80 upturn. In the *United Kingdom*, capacity utilization is still three percentage points

* Capacity utilization in the *United Kingdom* is not directly surveyed but is estimated on the basis of the proportion of firms whose capacity utilization is at present normal.

GRAPH 3 : Assessment of technical capacity - European Community a)



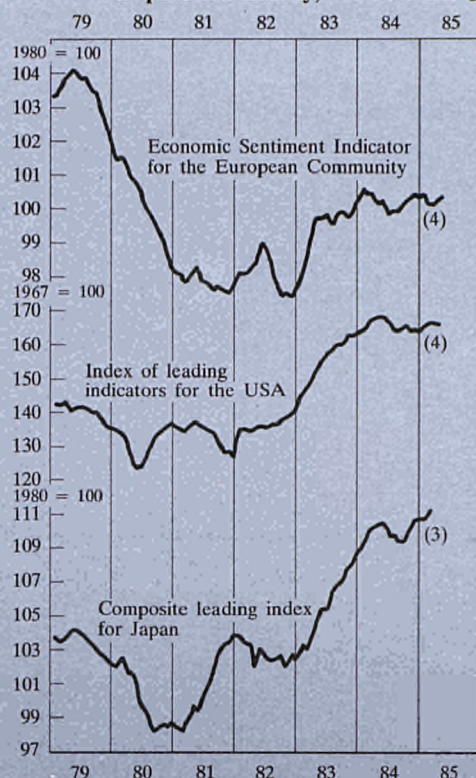
a) The data are collected in January, April, July and October each year.
Source : European Community business surveys

TABLE 3 : Degree of capacity utilization and expected capacity constraints — by industrial branches — European Community (s.a.)

Industries	Degree of capacity utilization in %								Expected capacity constraints; net balances excess capacity (+), capacity too small (-)							
	1982	1983	1984	1984			1985		1982	1983	1984	1984			1985	
				A	J	O	J	A				A	J	O	J	A
Industry as a whole	76.9	77.2	79.1	79.1	78.3	80.7	81.0	80.9	+45	+44	+31	+33	+28	+29	+28	+26
Consumer goods	79.5	80.3	79.3	80.1	76.8	80.3	81.2	81.6	+37	+36	+33	+35	+28	+34	+34	+29
Investment goods	77.8	76.9	77.6	77.7	76.2	80.1	80.2	81.2	+43	+44	+33	+36	+31	+26	+28	+19
Intermediate goods	75.8	76.1	79.5	79.2	79.7	80.9	81.4	80.4	+51	+49	+30	+30	+31	+25	+26	+26
Textile industry	80.0	81.5	81.8	81.6	82.9	82.7	83.8	83.7	+41	+33	+24	+23	+21	+21	+19	+27
Footwear and clothing	85.1	86.7	84.2	83.5	85.2	84.8	86.4	85.7	+26	+28	+26	+29	+27	+25	+24	+19
Timber/wooden furniture	75.9	80.9	78.2	78.3	78.0	78.6	78.1	77.7	+47	+37	+38	+39	+38	+33	+32	+35
Manufacture of paper, paper products, printing of which:	80.4	81.4	84.4	83.6	85.3	86.0	87.2	85.8	+35	+35	+13	+15	+9	+8	+15	+15
manufacture of paper ^{a)}	:	:	:	92.0	92.4	91.3	91.1	89.3	:	:	:	-3	-10	-8	-5	+10
Leather	80.9	79.9	79.3	80.3	78.2	80.5	82.1	82.4	+28	+29	+19	+2	+28	+28	+17	+1
Plastics	74.8	77.7	80.2	80.2	79.5	80.5	81.3	80.4	+42	+34	+16	+12	+19	+15	+11	+24
Mineral-oil refining	74.9	75.2	73.4	75.2	73.9	72.7	75.5	75.3	+80	+85	+43	+39	+22	+60	+64	+68
Metals	71.7	69.0	74.7	73.8	75.8	76.5	78.1	77.7	+67	+72	+47	+51	+44	+44	+44	+32
Non-metallic mineral products	72.5	73.8	76.8	77.0	77.6	77.4	78.0	76.1	+59	+53	+47	+46	+44	+47	+45	+48
Chemical industry	:	:	:	:	:	:	:	:	+34	+31	+7	+5	+7	+8	+10	+8
Metal articles	76.0	74.5	75.9	75.7	75.7	77.3	77.9	77.9	+41	+44	+38	+41	+36	+29	+31	+34
Mechanical engineering of which:	77.4	75.8	78.9	77.6	79.1	80.4	80.2	82.1	+45	+50	+34	+38	+30	+30	+29	+26
machines tools	78.0	73.7	78.3	76.3	79.7	82.1	83.3	85.3	+49	+55	+32	+35	+30	+20	+10	-3
Office & data processing machinery ^{a)}	:	:	:	87.8	81.9	83.0	88.0	83.6	:	:	:	-11	+1	+8	-16	+7
Electrical engineering	79.2	79.7	80.4	79.7	78.9	82.6	82.3	84.6	+43	+35	+26	+32	+28	+19	+28	+22
Motor vehicles	:	:	:	:	:	:	:	:	+41	+47	+43	+48	+29	+44	+44	+42
Shipbuilding	73.6	69.2	63.4	63.9	64.2	62.9	64.2	67.5	+44	+46	+59	+52	+61	+65	+66	+27
Rubber products	76.8	76.5	79.6	80.1	78.2	81.6	81.3	81.2	+53	+45	+27	+28	+31	+9	+15	+23
Instrument engineering	76.7	78.5	81.8	81.1	81.6	83.7	86.1	84.8	+47	+49	+26	+30	+24	+15	+12	+12

^{a)} Not seasonally adjusted as time-series too short.
For further explanation, see footnotes to tables 1 and 2.
Source : European Community business surveys

GRAPH 4 : Leading indicators for the European Community, the USA and Japan



Sources : — Commission of the European Communities, Directorate-General for Economic and Financial Affairs
— US Department of Commerce
— Economic Planning Agency, Japanese Government

Arabic number indicates latest month for which data are available ("4" = April)

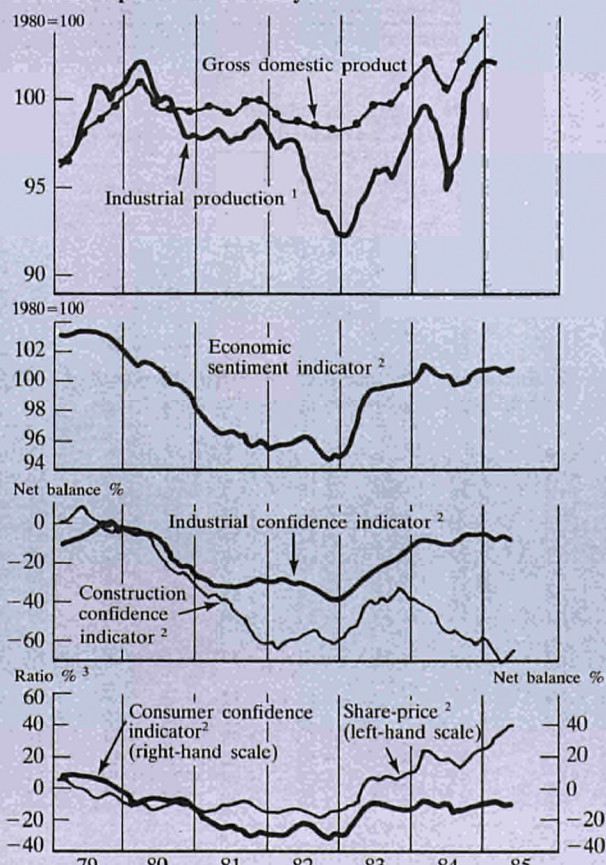
lower than in the previous upswing; however, the sharp upward trend in production plans suggests that unused capacity will contract significantly in the months ahead. This is also suggested by the decrease in the proportion of British firms describing their production capacity for the next twelve months as more than sufficient (24 % as against 28 % in January 1985 and 33 % in April 1984; see Table 2). Capacity utilization in *Luxembourg* has improved appreciably in recent months (84,0 % as against 83,5 % in January). Nor are any capacity utilization problems expected in the next 12 months (see Table 2).

Danish industry is still among the leaders in cyclical performance. Although data are not available on the degree of capacity utilization in Denmark, reports on margins of slack indicate that, despite a slight deterioration, capacity is almost fully utilized. The trend of output in the *Federal Republic of Germany* has not been very buoyant recently, partly because of the effects of both the cold winter and of the catalytic converter debate which severely weakened the automobile industry. Capacity utilization has increased only marginally since last autumn (from 82,4 % to 82,6 %). This is still some three percentage points below the cyclically "normal" level. Judging by the production plans of firms, the amount of slack will decrease only slightly in the next few months. This is also indicated by the largely unchanged proportion of firms anticipating capacity utilization problems in the next 12 months (19 % as against 20 % in January).

In *France*, as was to be expected on the basis of production plans, capacity utilization fell slightly (82,2 % as against 82,5 % in January). Industrial firms expect the downward trend to continue in the next few months. As the year progresses, however, there should be an improvement. This is suggested by the reports that fewer firms expect capacity utilization problems (+31 as against +41 in January; see Table 2).

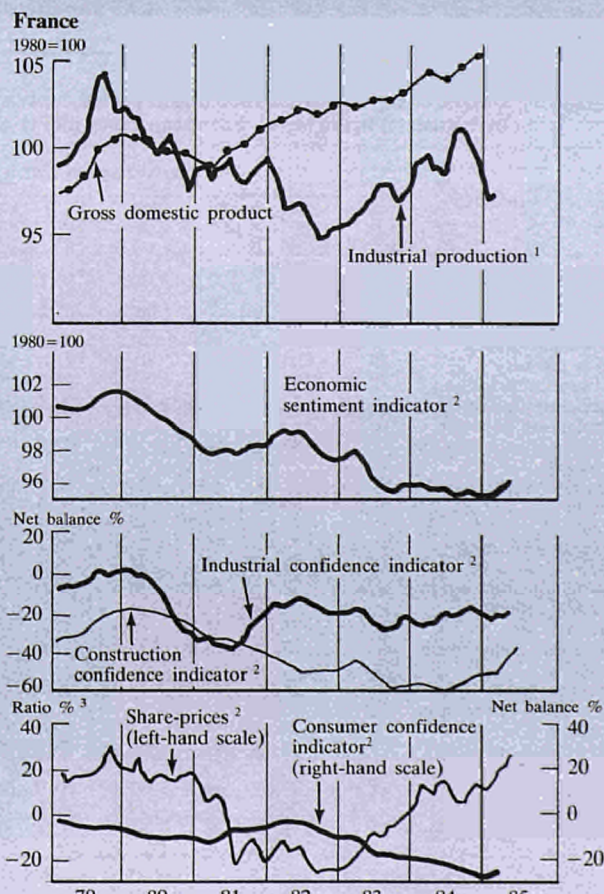
Though capacity utilization in *Italy* and *Belgium* has pointed up slightly since January (74,3 % as against 73,8 % in Italy, and 78,4 % as against 78,0 % in Belgium), its present level is

GRAPH 5 : Indicators of output and economic sentiment
Federal Republic of Germany



¹ Three-month moving average.
² See notes to Table 5.
³ Deviations from trend (75-month moving average) in %.

GRAPH 6 : Indicators of output and economic sentiment



¹ Three-month moving average.
² See notes to Table 5.
³ Deviations from trend (75-month moving average) in %.

still low in both countries. Firms expect little improvement in the months ahead (see Table 2).

The most unfavourable production trend in the first quarter was that reported by *Irish* industrial firms. Capacity utilization slumped to 61,8 % (as against 65,9 % in January). The proportion of firms anticipating idle capacity in the next 12 months has increased considerably (+37 as against +26 in January).

Trends of capacity utilization and excess capacity in selected branches (see Graph 3 and Table 3). — An increase in capacity utilization has been recorded in recent months especially in the *investment goods industries* (81,2 % as against 80,2 %). Whereas at the beginning of the year 28 % of investment goods producers expected their capacity to be more than sufficient in the next 12 months, the figure this time was down to 19 %. The increase in capacity utilization was above average in a number of mechanical engineering branches, especially machine tools (85,3 % as against 83,3 %). For the first time in a long period, firms here actually anticipate capacity constraints in some instances in the months ahead (−3). The electrical engineering industry also received a strong boost in capacity utilization (84,6 % as against 82,3 %). Even in structurally weak investment goods industries such as shipbuilding, capacity utilization increased somewhat (from 64,2 % to 67,5 %). Only half as many shipyards as last time anticipate capacity utilization problems in the next 12 months (27 % as against 66 %).

Capacity utilization has, by contrast, deteriorated somewhat in office and data processing machinery, previously the most outstanding performer (83,6 % as against 88,0 %). Capacity constraints are no longer anticipated (+7 as against −16).

Although in the *consumer goods sector* capacity utilization also improved slightly (81,6 % as against 81,2 %), the improvement was concentrated on a few branches such as leather. Elsewhere, capacity utilization remained unchanged or decreased slightly, for example in footwear and clothing (85,7 % as against 86,4 %).

In the *intermediate goods sector*, the degree of capacity utilization fell by one percentage point (80,4 % as against 81,4 %). This is attributable mainly to a more unfavourable order situation in non-metallic mineral products and glass manufacture, which are highly dependent on construction (76,1 % as against 78,0 %). Almost half of the firms here expect their capacity to be more than sufficient in the next 12 months. There was also a slight decline in capacity utilization in the iron and steel sector (77,7 % as against 78,1 %) and in manufacture of paper and paper products (85,8 % as against 87,2 %).

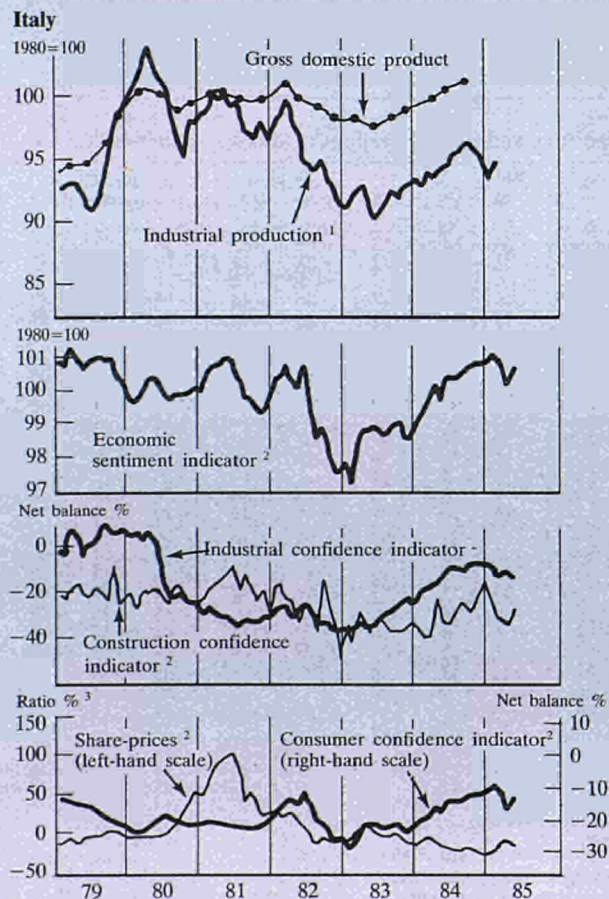
Economic sentiment indicator slightly improved. — The leading indicator for the Community rose again slightly in April, the first improvement for two months (100,3 as against 100,1 in March; 1980=100).

This improvement was due entirely to the somewhat less unfavourable situation in construction and to the continued rise in share prices. The other two components of the composite indicator, industrial confidence and consumer confidence, remained unchanged at their previous low levels.

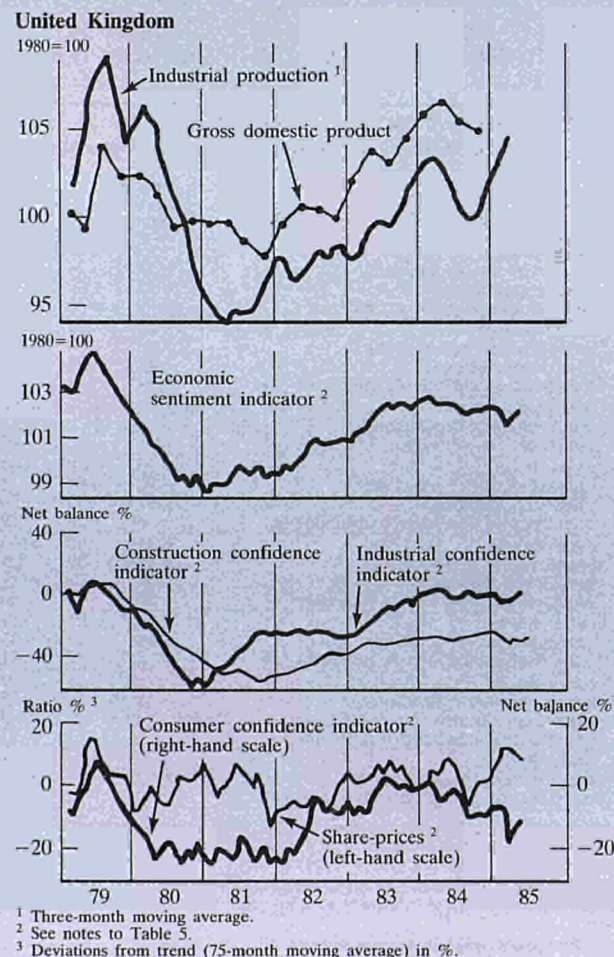
Looking at the individual countries, the indicator remains highest in the Netherlands, although there was a slight deterioration here in April (105,5 as against 105,7; 1980=100). In second position is the United Kingdom, whose composite indicator has been on a distinct upward trend again for three months (April 102,3; 1980=100). In most of the other member countries, the indicator is only slightly above 100, the level of the base year 1980. Only in France has the indicator remained below the 100 mark. However, a continuing tendency toward improvement — from a very low level — has been evident in France for the past four months (96,2 as against 95,8 in March; 1980=100).

The profiles of the leading indicators in Europe, Japan and the United States have shown some similarities in the last 12 months, even though there are still distinct differences in the levels of the series. In all three cases, there was a temporary deterioration in the first half of 1984. Since mid-1984, an upward trend has been evident again in Europe and Japan. It

GRAPH 7 : Indicators of output and economic sentiment



GRAPH 8 : Indicators of output and economic sentiment



is particularly marked in Japan, where the indicator recently reached a new peak. Though the upward movement came to a halt again in Europe at the beginning of 1985, it now seems to have resumed. The current trend in the United States is less clear : following a period of stagnation in the second half of 1984, the US leading indicator improved at the beginning of 1985, but according to the latest figure for April this trend has not continued. All in all, however, the US indicator is still at a very high level and therefore seems to indicate a temporary dip in growth rather than an oncoming recession (see Graph 4).

Construction industry tending to recover slightly. — There was a surprisingly marked improvement (from -47 to -41) in the confidence indicator for the Community construction industry in April. It is picking up in all member countries and especially so in France (-39 compared with -50). While the confidence indicator in the Federal Republic of Germany is again more unfavourable than in all other member countries, there was a slight improvement even there, albeit from an extremely low level (-64 compared with -68).

The improvement in the leading indicator for the construction industry is attributable to two factors : assessments of order books are no longer quite so unfavourable and the downward trend in employment plans is less marked.

Owing to weak building demand, prices in the Federal Republic of Germany are tending increasingly downwards. In Luxembourg, on the other hand, building firms, although in almost as difficult a position as those in the Federal Republic of Germany, are expecting the downward pressure on prices to ease. Price competition is currently considered to be less intense in Italy and also in Belgium and the United Kingdom; in all three of those member countries, firms believe that the market will bear price increases in the next few months (see Table 4).

Consumer confidence remains low. — At the time of going to print, the results of the April 1985 consumer surveys were available only for the Federal Republic of Germany, Italy, the Netherlands and the United Kingdom. According to those results, the consumer climate in the *Federal Republic of Germany* has again deteriorated somewhat (from -9 to -10). The reason for this was the declining readiness of consumers to make major purchases (-14 compared with -8). However, assessments of the general economic circumstances were slightly more favourable. This pattern points to a greater propensity to save among German consumers.

In *Italy*, the losses recorded in the consumer confidence indicator in previous months were partially made up in April (-12 compared -16). In particular, Italian consumers took a more favourable view of the general economic outlook over the 12 months ahead (-7 instead of -15).

In the *United Kingdom*, the improvement in the consumer climate continued in April (-11 compared with -13). There was a markedly less unfavourable assessment of the current general economic situation than in the previous month (-33 compared with -47).

In the *Netherlands*, consumer climate values are available only at quarterly intervals. Compared with January, Dutch consumer confidence has diminished slightly (-12 instead of -11). This is mainly because the economic outlook is no longer viewed so favourable. Whereas in January a further fall in the unemployment figures was expected, Dutch consumers now anticipate a slight deterioration in the labour market situation.

29 May 1985

TABLE 4: Survey of the construction industry
Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.) (b)

	Range (c)		1982	1983	1984	1984			I	1984		1985			
	Peak 72/73	Trough 74/75				II	III	IV		Nov.	Dec.	Jan.	Feb.	March	April
B order-books	-13	-47	-61	-73	-68	-69	-66	-64	-62	-63	-62	-58	-65	-64	-59
employment expectations	+31	-24	-36	-41	-39	-45	-32	-27	-32	-28	-28	-29	-33	-35	-28
price expectations	+75	+25	-1	-11	-8	-10	-6	-3	-5	-5	-2	-11	0	-3	-2
construction confidence indicator (a)	+9	-36	-49	-57	-54	-57	-49	-46	-47	-46	-45	-44	-49	-50	-44
D order-books	-17	-84	-73	-60	-69	-70	-73	-73	-77	-70	-75	-76	-79	-77	-75
employment expectations	+10	-60	-44	-20	-38	-36	-41	-47	-58	-45	-48	-53	-62	-59	-52
price expectations	+48	-37	-28	+3	-15	-22	-19	-16	-23	-5	-14	-20	-21	-29	-34
construction confidence indicator (a)	-4	-72	-59	-40	-54	-53	-57	-60	-68	-58	-62	-65	-71	-68	-64
F order-books	:	:	-62	-66	-68	-73	-69	-60	-63	:	:	-63	:	:	-52
employment expectations	:	:	-35	-37	-45	-47	-43	-43	-37	:	:	-37	:	:	-25
construction confidence indicator (a)	:	:	-49	-52	-57	-60	-56	-52	-50	:	:	-50	:	:	-39
I order-books	-25	-68	-44	-48	-39	-45	-37	-30	-38	-29	-28	-34	-38	-43	-33
employment expectations	+10	-44	-13	-23	-17	-20	-15	-9	-24	-1	-17	-25	-24	-24	-20
price expectations	+85	+30	+54	+14	+10	+8	+9	+8	+8	+9	+10	+11	+7	+7	+20
construction confidence indicator (a)	-8	-56	-29	-36	-28	-33	-26	-20	-31	-15	-23	-30	-31	-34	-27
L order-books	+21	-50	-46	-53	-67	-73	-59	-61	-67	-66	-58	-66	-67	-67	-63
employment expectations	+31	-39	-25	-36	-51	-49	-46	-40	-58	-46	-31	-49	-64	-60	-56
price expectations	+82	+11	+17	-16	-24	-33	-20	-10	-20	-11	-14	-14	-13	-38	-21
construction confidence indicator (a)	+26	-45	-36	-45	-59	-61	-53	-51	-63	-56	-45	-58	-66	-64	-60
NL order-books	-8	-81	-57	-55	-40	-40	-38	-36	-36	-36	-36	-35	-36	-37	-36
employment expectations	+14	-13	-25	-14	-6	-5	-4	-8	-6	-9	-12	-14	-2	-1	0
construction confidence indicator (a)	+3	-47	-41	-35	-23	-23	-21	-22	-21	-23	-24	-24	-19	-19	-18
UK order-books	:	:	-59	-48	-43	-47	-43	-37	-38	:	:	-38	:	:	-39
employment expectations	:	:	-25	-12	-11	-12	-9	-9	-20	:	:	-20	:	:	-16
price expectations	:	:	0	+11	+9	+7	+6	+7	+14	:	:	+14	:	:	+9
construction confidence indicator (a)	:	:	-42	-30	-27	-30	-26	-23	-29	:	:	-29	:	:	-28
EC order-books	:	:	-61	-57	-57	-60	-57	-53	-56	(-52)	(-53)	-55	(-57)	(-57)	-52
employment expectations	:	:	-31	-24	-29	-30	-29	-29	-35	(-27)	(-31)	-34	(-36)	(-36)	-29
construction confidence indicator (a)	:	:	-46	-41	-43	-45	-43	-41	-46	(-40)	(-42)	-45	(-47)	(-47)	-41

(a) The indicator is an average of the responses (net balances) to the questions on order-books and employment expectations.

(b) Details of the questions are given in the December 1984 issue of this supplement.

(c) These are the extreme (high and low) values of the net balances of the different questions, reached in the course of 1972/73 and 1974/75, respectively.

Note: The annual and quarterly figures are averages of the corresponding monthly data, except for France and the United Kingdom, where the survey is carried out on a quarterly basis. The monthly and related quarterly data are seasonally adjusted unless otherwise indicated; the seasonal adjustment applied to the most recent observations is provisional, so that such data are subject to later revision.

Source: European Community business surveys.

TABLE 5: Indicators of output and economic sentiment

		Trough 1974/75	1982	1983	1984	1984			1985	1984		1985				
						II	III	IV	I	Nov.	Dec.	Jan.	Feb.	March	April	
B	gross domestic product	1980=	:	115.8	:	:	:	:	:	:	:	:	:	:	:	
	index of industrial production	100	:	97.2	99.1	102.4	101.6	103.2	104.2	:	102.6	107.6	101.2	:	:	
	1. industrial confidence indicator		-56	-22	-20	-12	-15	-10	-11	-13	-11	-11	-10	-13	-17	-16
	2. construction confidence indicator		-36	-48	-57	-54	-57	-49	-46	-47	-46	-45	-44	-49	-50	-44
	3. consumer confidence indicator ^{1, 4}		-18	-27	-27	-27	-26	:	-26	-24	(-26)	(-26)	-24	(-24)	(-24)	:
	4. share-price index ^{4, 5}		:	100.1	128.9	161.9	159.0	163.9	171.5	171.6	171.9	168.8	167.4	168.5	178.8	175.6
= 5. economic sentiment indicator			99.5	98.2	98.7	100.0	99.7	100.3	100.5	100.5	100.4	100.5	100.6	100.5	100.4	100.6
D	gross domestic product ³	1980=	:	98.8	100.1	102.7	100.7	103.0	104.5	:	:	:	:	:	:	:
	index of industrial production	100	:	95.3	95.9	98.8	95.1	100.9	102.5	:	102.8	102.5	102.8	102.2	:	:
	1. industrial confidence indicator		-49	-33	-21	-8	-10	-6	-6	-7	-6	-6	-8	-6	-8	-9
	2. construction confidence indicator		-72	-59	-40	-54	-53	-57	-60	-68	-58	-62	-65	-71	-68	-64
	3. consumer confidence indicator ⁴		-22	-26	-12	-9	-10	-11	-8	-8	-8	-8	-6	-9	-9	-10
	4. share-price index ^{4, 5}		:	101.9	128.5	153.6	150.9	148.2	161.4	175.2	161.4	162.8	170.8	174.3	180.4	182.1
= 5. economic sentiment indicator			:	95.7	99.2	100.6	100.3	100.2	100.9	100.9	100.9	100.9	101.0	100.8	100.9	100.9
F	gross domestic product	1980=	:	102.2	102.9	104.9	104.1	105.1	105.7	:	:	:	:	:	:	:
	index of industrial production	100	:	96.2	97.0	100.0	98.5	101.5	99.0	:	99.2	97.0	95.5	100.0	:	:
	1. industrial confidence indicator		-49	-17	-23	-22	-22	-19	-20	-21	-20	-21	-23	-21	-21	-20
	2. construction confidence indicator		:	-49	-52	-57	-60	-56	-52	-50	(-52)	(-52)	-50	(-50)	(-50)	-39
	3. consumer confidence indicator ^{1, 4}		-9	-5	-16	-23	-22	-24	-27	-25	(-27)	(-27)	-25	(-25)	(-25)	:
	4. share-price index ^{4, 5}		:	88.0	116.0	158.6	158.7	156.0	168.3	184.3	168.3	168.8	175.5	185.6	191.7	200.4
= 5. economic sentiment indicator			:	98.4	96.3	95.3	95.4	95.2	95.1	95.5	95.0	95.0	95.2	95.6	95.8	96.2
IRL	gross domestic product	1980=	:	127.4	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production	100	:	101.5	108.7	123.2	125.9	121.6	129.7	:	129.8	133.5	127.5	:	:	:
	1. industrial confidence indicator		-41	-19	-20	-10	-10	-11	-12	-10	-16	-10	-11	-19	-10	-11
	2. construction confidence indicator		:	-51	-60	-45	-50	-48	-21	-35	-29	-19	-19	-58	-28	-38
	3. consumer confidence indicator ⁴		-41	-34	-40	-33	-32	-33	-34	-29	(-34)	(-34)	-29	(-29)	(-29)	:
	4. share-price index ^{4, 5}		:	84.8	106.2	139.7	148.6	132.5	131.7	134.3	136.5	126.6	128.4	134.6	140.0	144.0
= 5. economic sentiment indicator			:	99.0	98.9	100.0	100.2	99.9	99.9	100.2	99.8	100.0	100.2	100.1	100.4	100.4
I	gross domestic product	1980=	:	99.7	99.2	101.8	101.5	102.6	102.0	:	:	:	:	:	:	:
	index of industrial production	100	:	95.4	92.3	95.2	94.9	96.6	94.9	:	94.4	94.9	91.2	98.6	:	:
	1. industrial confidence indicator		-59	-31	-29	-11	-10	-9	-7	-3	-7	-7	-10	-10	-8	-13
	2. construction confidence indicator		-56	-29	-36	-28	-33	-26	-20	-31	-15	-23	-30	-31	-34	-27
	3. consumer confidence indicator ⁴		-39	-18	-23	-15	-15	-13	-12	-12	-12	-11	-9	-11	-16	-12
	4. share-price index ^{4, 5}		:	123.2	153.2	171.5	166.5	171.4	174.5	216.1	172.3	177.7	200.3	223.0	225.0	221.0
= 5. economic sentiment indicator			:	99.3	98.7	100.4	100.2	100.6	100.9	100.8	100.9	101.0	101.2	101.0	100.3	100.8
NL	gross domestic product	1980=	:	113.1	:	:	:	:	:	:	:	:	:	:	:	:
	index of industrial production	100	:	94.0	96.0	101.0	101.7	101.7	100.7	:	101.0	101.0	107.0	105.0	:	:
	1. industrial confidence indicator		-44	-26	-16	-4	-4	-3	-4	0	-3	-2	-3	+3	+1	-3
	2. construction confidence indicator		-47	-41	-35	-23	-23	-21	-22	-21	-23	-24	-24	-19	-19	-18
	3. consumer confidence indicator ⁴		-19	-32	-30	-22	-23	-19	-21	-11	(-21)	(-21)	-11	(-11)	(-11)	-12
	4. share-price index ^{4, 5}		:	107.3	155.0	196.8	188.9	192.0	211.9	236.5	211.1	213.1	227.0	238.2	244.3	245.4
= 5. economic sentiment indicator			:	97.6	99.8	102.7	102.4	102.9	103.4	105.3	103.2	103.7	104.5	105.7	105.7	105.5
UK	gross domestic product	1980=	:	100.5	103.7	105.4	104.6	104.1	107.1	:	:	:	:	:	:	:
	index of industrial production	100	:	98.6	101.9	102.8	101.8	102.2	103.1	:	102.9	103.6	105.2	105.0	:	:
	1. industrial confidence indicator		:	-25	-10	0	-2	+1	0	-3	0	+1	-3	-3	-3	+2
	2. construction confidence indicator		:	-42	-30	-27	-30	-26	-23	-29	(-23)	(-23)	-29	(-29)	(-29)	-28
	3. consumer confidence indicator ⁴		-33	-12	-2	-5	-2	-9	-7	-12	-6	-7	-6	-18	-13	-11
	4. share-price index ^{4, 5}		:	130.6	164.9	196.3	194.8	190.8	211.9	235.5	211.5	221.7	232.7	235.9	237.9	238.3
= 5. economic sentiment indicator			:	100.7	102.2	102.5	102.5	102.2	102.5	102.1	102.6	102.5	102.4	101.8	102.0	102.3
EC	gross domestic product ^{2, 3}	1980=	:	100.3	101.5	103.7	102.6	103.7	104.9	:	:	:	:	:	:	:
	index of industrial production	100	:	96.2	97.1	99.8	98.2	100.4	101.2	:	100.9	100.8	100.8	102.1	:	:
	1. industrial confidence indicator		-49	-27	-20	-10	-11	-8	-8	-9	-8	-8	-10	-9	-9	-9
	2. construction confidence indicator		:	-46	-41	-43	-45	-43	-41	-46	(-40)	(-42)	-45	(-47)	(-47)	-41
	3. consumer confidence indicator ^{1, 4}		-17	-17	-14	-14	-14	-15	-14	-14	-14	-14	-13	-15	-15	-15
	4. share-price index ^{4, 5}		:	120.0	157.4	188.6	187.2	184.2	197.2	217.6	196.9	201.6	212.4	218.1	222.2	225.0
= 5. economic sentiment indicator			:	98.0	99.5	100.2	100.1	100.0	100.3	100.2	100.4	100.3	100.4	100.1	100.1	100.3

¹ Quarterly series are constructed by attributing results of the January, May and October surveys to the first, second and fourth quarters respectively. Third quarter data are interpolated between second and fourth quarter values.

² Weighted total of quarterly figures for the Federal Republic of Germany, France, Italy and the UK.

³ For the Federal Republic of Germany, gross national product for quarterly data.

⁴ Not seasonally adjusted.

⁵ Revised by Eurostat.

Source: European Community business surveys and Eurostat. For quarterly GDP/GNP: Federal Republic of Germany (Bundesbank), France (INSEE), Italy (ISCO) and the United Kingdom (CSO). Figures for Germany do not include the adjustment for calendar irregularities.

TABLE 6: Monthly survey of manufacturing industry — Monthly questions and the composite industrial confidence indicator (a)
 Net balances: i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Range (b)		1982	1983	1984	1984			1985	1984		1985			
		Peak 1972/73	Trough 1974/75				II	III	IV		I	Nov.	Dec.	Jan.	Feb.	March
B	production expectations	+31	-56	-18	-16	-3	-5	-2	-1	-4	-1	-3	+3	-6	-8	-11
	order-books	+13	-74	-40	-34	-23	-25	-21	-24	-25	-24	-23	-23	-24	-29	-24
	export order-books	+15	-82	-40	-34	-25	-27	-23	-24	-27	-23	-24	-25	-28	-27	-27
	stocks of finished products	-14	+37	+8	+9	+10	+14	+7	+8	+10	+8	+8	+9	+8	+14	+13
	selling-price expectations	+64	+10	+28	+24	+27	+23	+28	+25	+24	+24	+19	+26	+26	+21	+21
	industrial confidence indicator	+19	-56	-22	-20	-12	-15	-10	-11	-13	-11	-11	-10	-13	-17	-16
DK	production expectations	:	:	+3	+8	+27	+22	+29	+26	+19	:	:	:	:	:	:
	order-books	:	:	-17	-3	+31	+32	+31	+35	+26	:	:	:	:	:	:
	export order-books	:	:	-4	-2	+26	+27	+29	+30	+27	:	:	:	:	:	:
	stocks of finished products	:	:	+16	+9	0	+9	-1	-10	+1	:	:	:	:	:	:
	industrial confidence indicator	:	:	-10	-2	+19	+15	+20	+24	+15	:	:	:	:	:	:
	D	production expectations	-17	-32	-20	-2	+5	+1	+8	+5	+2	+5	+4	+1	+4	+1
order-books		-5	-73	-53	-43	-21	-22	-20	-16	-17	-16	-16	-17	-17	-17	-18
export order-books		:	:	-40	-43	-23	-25	-20	-13	-12	-12	-12	-15	-12	-9	-9
stocks of finished products		-7	+43	+26	+17	+8	+9	+7	+6	+7	+6	+5	+9	+6	+7	+8
selling-price expectations		+55	+4	+18	+16	+24	+24	+25	+22	+18	+23	+18	+15	+18	+20	+23
industrial confidence indicator		+10	-49	-33	-21	-8	-10	-6	-6	-7	-6	-6	-8	-6	-8	-9
GR	production expectations	:	:	+5	+14	+24	+23	+26	+23	+23	+26	+17	+26	+27	+16	+21
	order-books	:	:	-36	-29	-28	-31	-28	-21	-31	-17	-19	-30	-29	-34	-29
	export order-books	:	:	-39	-30	-27	-31	-27	-25	-41	-19	-25	-42	-41	-40	-30
	stocks of finished products	:	:	+20	+14	+18	+23	+17	+15	+9	+17	+13	+9	+7	+11	+18
	selling-price expectations	:	:	+21	+27	+33	+31	+27	+41	+26	+41	+50	+32	+26	+21	+31
	industrial confidence indicator	:	:	-17	-10	-7	-11	-6	-4	-6	-3	-5	-4	-3	-10	-9
F	production expectations	+33	-29	-4	-13	-10	-10	-5	-7	-7	-6	-10	-7	-7	-8	-6
	order-books	+26	-69	-30	-38	-35	-35	-33	-33	-36	-34	-34	-39	-36	-34	-35
	export order-books	+24	-66	-36	-38	-19	-17	-16	-22	-22	-25	-20	-26	-16	-24	-24
	stocks of finished products	-14	+50	+16	+18	+20	+20	+19	+20	+21	+19	+20	+23	+19	+22	+20
	selling-price expectations	+76	+15	+49	+45	+42	+42	+42	+33	+38	+31	+31	+41	+34	+41	+39
	industrial confidence indicator	+29	-49	-17	-23	-22	-22	-19	-20	-21	-20	-21	-23	-21	-21	-20
IRL	production expectations	:	-21	-4	-8	+2	-4	+4	0	-1	-3	-2	-2	-6	+4	+6
	order-books	:	-68	-39	-44	-29	-27	-33	-27	-20	-35	-19	-19	-44	-34	-30
	export order-books	:	-22	-7	0	+8	+11	+2	+8	+5	+18	+12	+4	+1	+10	+8
	stocks of finished products	:	+35	+14	+8	+6	+7	+5	+9	+8	+11	+8	+12	+7	+4	+9
	selling-price expectations	:	+64	+35	+31	+32	+32	+26	+30	+22	+22	+27	+20	+21	+25	+33
	industrial confidence indicator	:	-41	-19	-20	-10	-10	-11	-12	-10	-16	-10	-11	-19	-10	-11
I	production expectations	+40	-43	-15	-11	+9	+9	+11	+12	+8	+12	+11	-7	+7	+8	+2
	order-books	+30	-82	-53	-54	-26	-26	-24	-18	-20	-18	-14	-21	-19	-19	-24
	export order-books	+13	-67	-49	-49	-28	-25	-24	-27	-30	-30	-26	-31	-32	-27	+30
	stocks of finished products	-24	+53	+25	+22	+16	+14	+13	+16	+17	+15	+19	+17	+19	+14	+18
	selling-price expectations	+76	+10	+50	+45	+47	+48	+46	+40	+41	+42	+34	+43	+39	+40	+39
	industrial confidence indicator	+31	-59	-31	-29	-11	-10	-9	-7	-3	-7	-7	-10	-10	-8	-13
L	production expectations	+84	-80	-40	-7	-7	-15	-1	+7	-2	+11	+9	+13	-13	-3	+7
	order-books	:	:	-60	-49	+10	+11	+13	+13	+3	+17	+7	+5	+3	0	-2
	export order-books	:	:	:	-57	+11	+10	+12	+14	+1	+22	+8	+4	+2	-3	-2
	stocks of finished products	-14	+74	+14	+23	+4	+8	+2	-1	-4	0	-5	-7	-5	0	+14
	selling-price expectations	:	-46	+10	+24	+23	+15	+30	+23	0	+23	+12	+8	-9	+1	+42
	industrial confidence indicator	:	:	-38	-26	+1	-4	+3	+7	+2	+9	+7	+8	-2	-1	-3
NL	production expectations	+26	-26	-5	0	+7	+7	+7	+6	+7	+8	+7	+2	+12	+8	-1
	order-books	+7	-48	-39	-32	-11	-11	-7	-7	-2	-7	-4	-5	-1	-2	-3
	stocks of finished products	-3	+57	+33	+15	+9	+8	+9	+10	+4	+10	+8	+5	+3	+3	+5
	industrial confidence indicator	+12	-44	-26	-16	-4	-4	-3	-4	0	-3	-2	-3	+3	+1	-3
UK	production expectations	:	:	+1	+17	+21	+18	+19	+19	+18	+20	+22	+19	+16	+19	+21
	order-books	:	:	-54	-34	-10	-12	-9	-8	-12	-9	-8	-12	-12	-12	-6
	export order-books	:	:	-48	-34	-13	-17	-10	-6	-6	-4	-6	-6	-7	-5	+1
	stocks of finished products	:	:	+23	+13	+10	+12	+8	+11	+14	+11	+12	+16	+12	+15	+10
	selling-price expectations	:	:	+27	+26	+32	+27	+30	+35	+31	+34	+35	+32	+32	+30	+26
	industrial confidence indicator	:	:	-25	-10	0	-2	+1	0	-3	0	+1	-3	-3	-3	+2
EC	production expectations	+24	-30	-11	-3	+5	+3	+7	+7	+5	+7	+6	+5	+5	+4	+4
	order-books	+15	-70	-47	-40	-22	-23	-21	-19	-20	-19	-17	-20	-19	-19	-19
	export order-books	:	:	-42	-40	-21	-22	-19	-16	-16	-17	-15	-18	-16	-16	-14
	stocks of finished products	-10	+48	+22	+16	+12	+13	+11	+12	+13	+12	+12	+14	+12	+13	-13
	selling-price expectations	+64	+9	+32	+30	+33	+33	+32	+29	+29	+30	+26	+30	+28	+30	+31
	industrial confidence indicator	+16	-49	-27	-20	-10	-11	-8	-8	-9	-8	-8	-10	-9	-9	-9

(a) The indicator is an average of the responses (net balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

(b) These are the extreme (high and low) values of the net balances of the different questions, reached in the course of 1972/73 and 1974/75, respectively.

Note: (s.a.) = seasonally adjusted. : = not available. Source: European Community business surveys.

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